

UNCLAS ABUJA 002521

SIPDIS

E.O. 12958: N/A
TAGS: [EFIN](#) [PTER](#) [NI](#)
SUBJECT: CENTRAL BANK OF NIGERIA ON FREEZING THE FINANCIAL ASSETS OF TERRORISTS

REF: (A) STATE 165224 (B) ABUJA 2416

¶1. This is an action request -- see para 6.

¶2. Summary. Emboffs met with CBN Deputy Governor Ebi to discuss Ref A. Ebi promised to re-examine the CBN's mechanisms to combat financial crimes and crack-down on terrorists' financial activities. The CBN's International Financial Crime Unit has authority to investigate and freeze assets and provides support to the national police for arrests and prosecutions. Financial crimes, however, do not include money laundered from any source other than narcotics trafficking. An amendment to the Money Laundering Decree would be necessary to overcome this deficiency. Post requests information from the Department. End Summary.

¶3. EconOff and RNLEO met September 27 with Central Bank Deputy Governor Ernest Ebi to discuss President Bush's Executive Order that enables U.S. authorities to crack-down on terrorists' financial activities per Ref A. EconOff presented Ebi with copies of the Executive Order. Ebi promised that the CBN would re-examine its mechanisms to combat financial crimes, including strengthening investigations into terrorists' financial activities. He commented that the International Financial Crime Unit, within the CBN's Foreign Operations Department, has the authority to investigate financial crimes, such as 419 frauds, and freeze accounts and assets determined to be involved. It does not, however, have the power to arrest or prosecute, he disclosed. It might be possible, he said, to expand the mandate of this unit.

¶4. Ebi said there is a committee comprised of officers from the International Financial Crime Unit, the Money Laundering Surveillance Unit (also under the CBN), and the International Financial Surveillance Unit. This committee had proposed, and may soon begin, issuing periodic reports on the findings of its member agencies that would recommend specific actions to be taken by the relevant Ministry, whether that be the Ministry of Justice, the Central Bank or another agency. Ebi mentioned that the CBN had implemented a new policy in 2001 whereby it would provide the national police with funding and logistical support to facilitate financial crime prosecution. As part of this program, the CBN also offers rewards for successful prosecutions.

¶5. RNLEO pointed out that the FATF designated Nigeria a non-cooperative country in 2001, in large part because the governing law, the Money Laundering Decree of 1995, had major deficiencies. The 1995 law only provides for the investigation and prosecution of funds that have been derived from narcotics trafficking, not for money derived from myriad other criminal enterprises such as arms sales, trafficking in persons or corruption. Ebi did not appear to be aware of this shortcoming. He did, however, agree to look into the issue. Ebi said he would meet with the CBN legal department and task one of his officers to write recommendations on how the Central Bank could move forward with prohibiting terrorists from accessing financial resources.

¶6. Comment and Action Request. Even if the CBN were to toughen its stance against financial crimes, these crimes would not include money laundered from crimes other than drug trafficking. Moreover, the CBN will remain dependent on the police or NDLEA for criminal investigations and prosecutions. One action the GON needs to undertake to crack-down on the financial assets of terrorists is to reform the 1995 law or draft new legislation that would rectify this deficiency. Also key to effective money laundering controls will be the creation of a central GON office -- probably within the Presidency -- to coordinate law enforcement action among the many GON agencies and serve as a money laundering information clearing house (a "Financial Intelligence Unit" as called for by the FATF). Post will work with the National Assembly, the Presidency, Central Bank and Ministries of Justice and Finance to encourage immediate action on this issue. Post requests Department to provide text of U.S. laws and

regulations governing financial crimes and terrorist activities that might help the GON in promulgating its prospective new law and regulations on this issue. End Comment and Action Request.

Jeter